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DEPARTMENT OF STATE

Telephone

**Memorandum of Conversation**

394

DATE: August 6, 1957

SUBJECT: Political Situation in Guatemala

PARTICIPANTS: Mr. Charles Knox, Klein and Saks
MID - Mr. Warner

DECLASSIFICATION DATE 6/4/75
PER Embrees OFFICE ARA
FADRC FOI CASE NO. 5-B-201

COPIES TO: ARA - Mr. Hoyt
MID - Mr. Wieland
Embassy Guatemala

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Mr. Knox stated that Klein and Saks' Executive Director, Mr. Davies, is returning from a trip to Chile soon and wants to stop in Guatemala en route. In order that he may brief Mr. Davies he asked whether there would be any reason for Klein and Saks to alter its relations with Colonel Oliva. When I asked if he meant the Minister of Defense he said yes.

I stated that under the constitution elections for a new President must be held in four months and that naturally there is some scurrying about as various groups try to decide on presidential candidates. Therefore the outlook is somewhat obscure at this point but Colonel Oliva appears to be a stabilizing influence. I said I saw no reason why the firm's relations with him should be any different now from in the past but I urged that Mr. Davies check with the Embassy at Guatemala upon arrival. Mr. Knox said that Mr. Davies would do this as a matter of course.

Mr. Knox called back later and said he had meant Enrique Oliva instead of Juan, the Minister of Defense. I said that Enrique's position was not so clear-cut as his brother's and that I would like to reserve comment on it. I said that Juan appeared to be a constructive influence and that I didn't mean to imply that Enrique is not but simply that I don't know. I recommended that Mr. Davies check with the Embassy on arrival and Mr. Knox said he would.

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August 6, 1957

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SUBJECT: JOINT MEDIA No. 32

DECLASSIFICATION DATE 6/14/75 B-2 HSD-2

POLITICAL Fonbra OFFICE

1. [redacted]

Pressures prevailing immediately following Castillo's death for formation of military junta have abated as top military and civilian leaders have come out strongly in favor of constitutionality. Movement backed by some cabinet members and high Army officers for making Defense Minister Juan Francisco Oliva official candidate in next elections failed after team of lawyers found his candidacy could not be constitutionally justified. Oliva's acceptance had been conditioned on finding suitable constitutional formula to overcome impediment in article stating cabinet ministers must be out of office six months in order to be elected president. On August 6 Oliva made public announcement stating categorically that he had refused nomination on principal grounds that his candidacy could not be constitutionally justified. (CONFIDENTIAL)

Comment: We have sought to convey informally to Guatemalan Government our interest in seeing constitutional processes followed, which interest is shared by great majority of Guatemalan people. Influential private citizens, businessmen'd organizations and press have warmly praised Government for adhering to legal procedures on succession. Guatemalans are encouraged that their country appears to be showing more political maturity in time of stress than ever before in its history. The emergence of Minister of Defense as champion of constitutionality heightens prospects that presidential succession will proceed according to law. (CONFIDENTIAL)

2. Ortiz Passarelli to be Official Candidate for President

An ad hoc committee of high Government and MDN leaders appointed to study who should be Administration candidate for President has chosen Lic. Miguel Ortiz Passarelli, now Chief Justice of Supreme Court. It has not been decided when his candidacy is to be made public but will be difficult to keep it long a secret. (CONFIDENTIAL)

Comment: Ortiz Passarelli is highly regarded 48 year old lawyer of slightly right-of-center views, capable and forthright, strongly anti-communist, a supporter of Castillo's program and an active member of MDN. With a background as judge and practising lawyer, he served earlier as Minister of Interior in Castillo's cabinet. If he becomes President it is likely that Government will be one where policy making and important decisions are collective

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product of Administration leaders rather than as in the past the more or less exclusive prerogative of the Chief Executive. In short there will be no caudillo. Army will play a more active role in government than under Castillo. A well placed military source states that Minister of Defense Oliva has been promised "power behind the throne" and control (directly or through appointment) over key ministries of Defense, Interior and Public Works. (CONFIDENTIAL)

3. Castillo's Program with Castillo's Team

President Gonzalez, Minister of Defense Oliva and other government spokesmen have repeatedly stressed intention to carry out Castillo's program faithfully in every field. Cabinet and presidential secretaries presented resignation last week to leave President free to choose team. Only resignation accepted was Minister of Education's (USIA No. 31). Colonel Jose Magdaleno Ortega Castro, Chief of Presidential Military Staff, has been transferred to position of Under Secretary of Defense for ODECA Affairs and has obtained U.S. visa. (OFFICIAL USE ONLY)

Comment: Castillo's program was popular and Government's stated intention to follow it has helped preserve public confidence in Administration at time when many people fear everything from military dictatorship to communism. Freeze on top level jobs is designed to avoid impression of shakeup which public might regard as presaging policy changes. Ortega's transfer is probably due to his failure, as Chief of Presidential Staff, to provide adequately for President's protection. Defense Minister stated privately that Ortega's main job should have been President's protection but President himself had encouraged Ortega to take on many other functions thus preventing him from devoting proper attention to President's safety. (CONFIDENTIAL)

4. Castillo's Funeral Draws Huge Crowds

Crowds which gathered in Capital to view President's bier and to attend his funeral (estimates vary between 100,000 and 500,000) were largest in Guatemalan history. People came from all over country and even from abroad. Old timers say that arrival of Arevalo from Argentina in 1944, when "everyone" went to the airport to meet him, was nothing by comparison. (UNCLASSIFIED)

Comment: Public tribute paid Castillo posthumously showed his personal popularity was greater than had been generally believed. Quiet grief shown at his death was more impressive index of popular affection than clamorous enthusiasm with which he was welcomed to the Capital as conquering hero three years ago. (OFFICIAL USE ONLY)

5. Investigation of Assassination has Produced no Conclusive Results

It has not yet been established whether assignment of Castillo's assassin to palace guard was anything more than criminal negligence nor whether any persons other than fellow palace guards were parties to

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assassin's plans. Two of six guards arrested (WEEKA No. 31) have charged in deposition that two officers held, Major Julio Cesar Anleu and Lt. Arnulfo Reyes Lopez, were involved in assassination plot. Both officers categorically deny charges. (CONFIDENTIAL)

Comment: There were many groups which would have welcomed removal of Castillo. Assassin was ready-made instrument for clever person to utilize. If he was so utilized there is no evidence to show plans went further than elimination of Castillo. (CONFIDENTIAL)

MILITARY

No change.

PSYCHOLOGICAL

1. Freedom of Expression Little Disturbed by State of Siege

Local press has commented on political events without apparent restraint in spite of special powers held by Army under State of Siege. Army censorship of outgoing press cables has been extremely lenient. Radio stations have been permitted to return to normal programs. (OFFICIAL USE ONLY)

Comment: Readiness of press to comment on domestic political events contrasts with last year's State of Siege (July and August 1956) when editorialists were conspicuously silent. Foreign correspondents have been treated so courteously that they have made no formal complaints against censors. Official leniency indicates confidence. (OFFICIAL USE ONLY)

MILITARY

AIR FORCE

1. Air Force Supports Constitutionality

GAF like Army is supporting Constitutional Government. Only unusual activities are roving patrols and doubling of guards within airport boundaries. (CONFIDENTIAL)

Comment: Senior members of GAF appeared originally to favor a military junta; however, at present they support normal succession. (CONFIDENTIAL)

FOR THE AMBASSADOR:

William B. Connett, Jr.
First Secretary

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